



Economic Benefits of Immigration Reform in Iowa

a report by the
**Center for American Progress and the American Federation of State,
County and Municipal Employees, AFL-CIO.**



Immigration Reform and Iowa

Introduction

Often missing from the debate about comprehensive immigration reform is the positive impact it will have on our economy. According to the Center for American Progress, providing a path to citizenship for the 11 million undocumented immigrants living in the United States will boost our economy by a cumulative \$832 billion over the next 10 years. Immigration reform will create jobs, increase the earnings spent in our communities and increase the taxes paid by currently undocumented workers. Immigration reform is not just the right thing to do for our country, it is the smart thing to do for our economy.

The Center for American Progress prepared state-by-state estimates of the economic benefits of immigration reform over 10 years.

Immigration Reform Will Help Economy in Iowa

Iowa will experience significant economic growth if S. 744, the “Border Security, Economic Opportunity and Immigration Modernization Act of 2013” is enacted. According to a recent Center for American Progress report, the economic outcome will mean:

- **\$6 billion** cumulative increase in **gross Iowa product** over 10 years.
- **\$3.3 billion** cumulative **increase in the earnings of all Iowa residents** over 10 years.



Immigration reform with a roadmap to citizenship will grow the nation's economy by \$832 billion over the next 10 years.



- **867 additional jobs** annually in Iowa brought about by immigration reform.
- **\$2.8 billion** cumulative **additional earnings of immigrants** in Iowa over the next decade, who will pay an additional **\$283 million** in state and local taxes over this time period.

Legalized Immigrants Have a Big Impact on Social Security and Medicare

Immigrants are more likely to be working-age. According to the U.S. Census Bureau, more than 80 percent of the foreign-born population is between the ages of 18 and 64, including 50 percent who are between the ages of 18 and 44. Among those who are native born, 60 percent are between the ages of 18 and 64, including 35 percent between ages 18 and 44. By putting immigrants on a path to citizenship, we strengthen the financial status of Social Security and Medicare through the contributions made by this larger, younger workforce.

The impact of legalized immigrants over the next 36 years would be:

- **\$1.2 trillion in contributions** to the Social Security system.
- **\$580.9 billion** in Social Security **benefits received**.
- **\$606.4 billion in net contribution** to the Social Security system. This net contribution would support 2.4 million American retirees over the next 36 years.
- A recent study from Harvard Medical School found that immigrants added a **net**



of **\$115.2 billion to the Medicare system** from 2002 to 2009. By contrast, U.S. born citizens cost the system \$30.9 billion in that same period.

The Interests of Both Employers and Lower-Skilled Workers Are Protected in the Senate Immigration Bill

If we do nothing, unscrupulous employers will continue to hire undocumented immigrants in an underground economy that harms law-abiding employers through unfair competition. All communities are harmed when those in the underground economy fail to pay taxes that support schools, law enforcement, health services and all of the other services that state and local governments provide. To rebuild our middle class, we must ensure that all businesses and workers in America play by the same rules.

- Together, the U.S. Chamber of Commerce and the AFL-CIO developed **a new W-visa** that will protect the jobs and wages of U.S. workers – non-immigrant and immigrant – while allowing employers to hire foreign workers when a labor shortage is established.
- Foreign workers would be provided the **same wages and working conditions** as U.S. workers and would be protected from foreign labor contractor abuses.
- A new **Bureau of Immigrant and Labor Market Research** would determine when and if labor shortages exist based on clear and transparent data.

Conclusion

Immigration reform will help grow the economy and create jobs here in Iowa and across the nation. We should not wait any longer to harness the economic power of the 11 million undocumented immigrants, legalize their status and allow them to become citizens, meet their responsibilities and fully participate in our economy.

